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Antecedents of corporate image: The case of Chinese multinational enterprises in the Netherlands

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Abstract: This paper examines the antecedents of the corporate image of Chinese multinational enterprises (CMNEs) as a group in a developed economy, the Netherlands. Using insights from cognitive psychology, we developed a conceptual model to illustrate the impact of individual experiences and image transfer on the corporate image of CMNEs. The primary argument is that individual experiences influence image formation, and images can be directed from a country and country products towards corporations. We tested our hypotheses by using partial least squares structural equation modeling (PLS-SEM) of survey data collected from the Netherlands. The main findings are that country product image and affective country image significantly influence corporate image; however, the impact of experiences on image formation is contingent upon situational factors. The findings of this study have important theoretical and practical implications.

Keywords: corporate image, Chinese multinational enterprises, country image, country product image, individual experience

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INTRODUCTION

A surge of cross-border investments by Chinese multinational enterprises (CMNEs) into developed and developing economies has correlated with China's rapid economic growth in recent years. In 2016, China became the second largest source of outward foreign direct investment (FDI) (UNCTAD, 2017), with its global share increasing from 1.30% in 2006 to 12.61% in 2016¹.

However, amid this rapid growth, Chinese firms, along with other emerging-market multinational enterprises (EMNEs), are facing serious challenges in developed countries, in which a range of stakeholders, including politicians, activists, media, unions and the public, perceive a poor image of EMNEs as a whole (Knoerich, 2010; Meyer, Ding, Li, & Zhang, 2014). Studies have recognized that EMNEs suffer from these challenges in developed markets (Caiazza, Very, & Ferrara, 2017; Luo & Wang, 2012; Madhok & Keyhani, 2012). EMNEs are stereotyped as having poor governance and accountability, lacking managerial and global experience and possessing weak technological and innovative capacities (He & Zhang 2018; Luo & Tung 2007); an example is Huawei, a world-leading high-tech business which face doubts and resistance across the US and Europe (BBC, 2019 March 7). This effect can significantly influence EMNEs' performance and their motivation to make new or further investments or even cause them to withdraw from a market (He & Zhang 2018; Zhang, He, & Gorp, 2017).

One of the key elements that deeply reflects the challenges is EMNEs' corporate image, which refers to the overall impression made on the minds of individuals about organizations from emerging markets (Barich & Kotler 1991). Researchers see image from different angles, including the perceived organizational image from insiders' views and their belief regarding the organizational image from outsiders' views, and perceived image by outsiders (Dukerich, Golden,

¹ Authors' own calculation is based on data from UNCTAD. The data were retrieved on March 6, 2018 from <http://unctadstat.unctad.org/wds/TableViewer/downloadPrompt.aspx>

& Shortell, 2002). In our research context, we focus on the latter perspective. Generally, a positive corporate image is a valuable asset (Dowling 1993) for winning other external resources (i.e., customers, employees and capital) that are important for the success of a business. It is particularly important for international firms to carry a positively perceived corporate image when entering a foreign market. However, EMNEs often suffer from poor corporate and political images of their homes, particularly in developed countries (He & Zhang 2018).

Corporate image is not a new concept in marketing (Barich & Kotler, 1991; Tran, Nguyen, Melewar, & Bodoh, 2015; Brown, Dacin, Pratt, & Whetten, 2006). However, what contributes to the corporate image of EMNEs is an important issue that, to date, has not been properly addressed. Major theories in international business (IB), such as the internationalization theory (Johanson & Vahlne, 2009; Johanson & Wiedersheim-Paul, 1975), the OLI (ownership, location, internalization) paradigm (Dunning & Lundan, 2008), the resource-based view (Barney, 1991; Barney, Ketchen, & Wright, 2011; Spyropoulou, Skarmeas, & Katsikeas, 2010), and the more recent institutional theory (Peng, Sun, Pinkham, & Chen, 2009; Scott, 1995), although insightful from each particular perspective, only provide segmented or broad explanations for firm internationalization, as well as its drivers and outcomes. Theories developed for emerging markets, such as LLL (linkage, leverage, and learning) (Mathews, 2006), the ownership advantage logic (Ramamurti, 2012) and the springboard perspective (Luo & Tung, 2007), provide more context-rich descriptions of these late comers' rapid internationalization and predictions of their outcomes. However, these approaches are unable to provide a full picture to underpin EMNEs' internationalization and FDI, as well as the issue of their overall corporate image, due to their heterogeneity and complexity (Buckley et al., 2018).

Therefore, this research aimed to fill this knowledge gap by theoretically and empirically investigating the antecedents of CMNEs' corporate image from the perspective of psychological analysis (Lopez et al. 2011; Williams & Moffitt 1997). The corporate image in this study is defined from the emotional perspective (Tran et al., 2015; Worcester, 2009; Nguyen & Leblanc, 2001), highlighting feelings and attitudes towards CMNEs. We developed a conceptual model from an image formation process perspective, including the mere-exposure effect theory (Zajonc 2001), schema congruity theory (Aggarwal & McGill 2007; Meyers-Levy & Tybout 1989), and associative network theory (Krishnan 1996). Specifically, in the case of CMNEs, we show that the corporate image of MNEs are determined by 1) the country image and the country product image through the mechanism of image transfer, and 2) individual experience with the CMNEs and their home country, directly and indirectly.

This research makes three contributions to the literature. First, it extends the EMNE literature by examining how the corporate image of EMNEs in a developed economy is shaped by three factors (i.e., country image, product image, and country and firm experience), which has been largely overlooked in past research. Although it is well recognized that a relatively poor image hinders the internationalization process and growth abroad of many EMNEs (e.g., Held & Bader, 2016; He & Zhang, 2018), prior research has not sufficiently demonstrated the image formation process, in particular, the antecedents of the EMNEs' corporate image. This study makes a valuable effort to shed light on this line of inquiry.

Second, this study adds to the country-of-origin literature by theorizing and empirically testing the effects of three types of country image. The country-of-origin effect has been widely researched by marketing scholars (e.g., Balabanis & Diamantopoulos, 2008; Balabanis, Mueller, & Melewar, 2002; Verlegh & Steenkamp, 1999); however, most studies have focused on product images instead

of the country image, in general (Roth & Diamantopoulos, 2009). Some studies consider the country image to be multifaceted (e.g., Roth & Diamantopoulos, 2009; Laroche, Papadopoulos, Heslop, & Mourali, 2005); however, few studies have identified the unique influences of each dimension that it includes (Wang et al., 2012). Moving the previous understanding forward, we propose a more nuanced view that includes the three dimensions of image (i.e., affective country image, economic country image and political country image), and we investigate the different outcomes of them in the context of CMNEs.

Third, this research contributes to the discussion of the experiential effect on perception by exploring the complicated boundary conditions. Although social psychologists have researched the effect of individual experience or familiarity on perception and judgement (Claypool, Hugenberg, Housley, & Mackie, 2007; Claypool, Hall, Mackie, & Garcia-Marques, 2008), the results are inconclusive. The mere-exposure theory predicts that more experiences create a better impression (Zajonc, 1968; Zajonc, 2001). The opposite argument indicates that more experiences may lead to a negative impression because evidence of dislike is uncovered (Norton, Frost, & Ariely, 2007). To answer the call for refined models explaining how experience influences perceptions (Vaughan & Hogg, 2013), using the case of CMNEs in the Netherlands, this study extends this line of research by exploring the specific conditions under which experience leads to positive, negative or mixed perceptions.

THEORY AND HYPOTHESIS

A good corporate image increases the propensities of consumers to buy a firm's products, of creditors to invest in the firm (Ko, Hwang, & Kim, 2013; Wilkins & Huisman, 2014), of local talent to work for the firm (Gatewood, Gowan, & Lautenschlager, 1993; Held & Bader, 2018), and of stakeholders to build relationships with the firm (Wang et al. 2014). However, a key challenge for

CMNEs and other EMNEs is their burdening corporate image (i.e., attractiveness or liking of the CMNEs' as a whole by outsiders), which they have to face when entering developed economies (He & Zhang, 2018). EMNEs generally suffer from weak brand recognition and poor country and product images. There are widespread concerns among foreign stakeholders and the public about the accountability, transparency, and trustworthiness of EMNEs and their home countries. Even famous EMNEs can be victims of such stereotypes. A recent example is Huawei, which sees its products highly recognized for their technology and quality but also experiences mounting suspicion due to the security concerns expressed by the American government (BBC, 2019 March 7).

The corporate image perceptions of international firms by local entities, such as investors, regulators, consumers and other stakeholders, form part of the host country's political and psychological environment, which firms must confront (Chattalas, Kramer, & Takada, 2008; Scott, 1995; Sharma, 2011). These local stereotyped views of their characteristics represent an informal political constraint (Dikova, Sahib, & van Witteloostuijn, 2010). An overall corporate image (as a label attached to EMNEs) is formed due to stereotyping by the host country, as a simplified means (in cognitive psychology) of addressing the lack of information about the foreign entity by categorizing based on cognitive structures, such as schemas and stereotypes (Diamantopoulos, Florack, Halkias, & Palcu, 2017). EMNEs are often perceived and labeled as being less favorable, or having a worse overall corporate image, which can reduce their customer base and put off investors, business partners and potential employees.

Corporate image is described as the overall impression of an organization formed in the minds of individuals (Nguyen & Leblanc, 2001; Barich & Kotler, 1991; Dichter, 1985; Kotler, 1982; Tran, Nguyen, Melewar, & Bodoh, 2015). Early studies identified corporate image as an organizational

construct, with both functional (quality, service and price) and emotive meanings (Kennedy, 1977; Martineau, 1958). Later studies focused more on the emotional aspect (Tran et al., 2015; Worcester, 2009; Nguyen & Leblanc, 2001). With this identification, we see that there is a substantial overlap between the functional meaning of corporate image and another related reconstruct, country product image. Therefore, we choose to focus on the emotional components of corporate image in this study. From the emotional perspective, Tran et al. (2015, p. 89) have defined the corporate image construct as the “sum of feelings, ideas, beliefs, knowledge, impressions, and values towards a corporation”. This study follows this emotional perceptive to investigate the image of a group of organizations, CMNEs, held by individuals.

Corporate image is the result of a dual psychological process: the production process and audience's impression formation process (Williams & Moffitt 1997). The first process can be managed and controlled by the organization (Dowling 1986) through public relations, advertising, marketing communication and corporate identity systems (van der Lans et al., 2009). The second process is determined by environmental and personal factors from the audience (Williams & Moffitt, 1997). Lopez, Gotsi & Andriopoulos (2011) have classified the factors that shape corporate image into three broad categories: corporate, environmental and individual determinants. This study adopts the approach of the impression formation process and investigates the environmental and individual determinants.

Accordingly, we examined two sets of determinants: individuals' perceived environments and their experiences. An individual's perceived environment consists of images derived from the interaction between what is selectively scanned from that environment (Jenkins & Pigram, 2004). The perceived environmental factors derive from the country image literature. Roth & Diamantopoulos (2009) have categorized the definitions of a country's image into three groups: country image (the

general image of the country), country product image (the images of products from a country), and product-country image (the image of a country and its products). The third category contains not only country image but also product image, making it conceptually less clear than the first and third categories. Therefore, in the current study, we focused on the first and second categories. We defined the first category, country image, as “the total of all descriptive, inferential, and informational beliefs one has about a particular country” (Martin & Eroglu, 1993, p. 193). The second category, country product image, refers to the “overall perception consumers form of products from a particular country” (Roth & Romeo, 1992, p. 480). For example, the widely used phrase “the rise of China” reflects the first category, and “made in China” reflects the second category. For individual experiences, we evaluated individual interactive experiences with a foreign country and the products and firms from that country (i.e., China and CMNEs). In addition, we considered the indirect effect of two individual determinants, individual experience with emerging markets and individual experience with products from emerging-market firms. The conceptual model and the determinants studied in this paper are summarized in Figure 1.

(INSERT FIGURE 1 ABOUT HERE)

Experience, country product image and corporate image

The effect of individual experience or familiarity on perception and judgement has been extensively researched in social psychology (Claypool, Hugenberg, Housley, & Mackie, 2007; Claypool, Hall, Mackie, & Garcia-Marques, 2008). One of the most studied psychological principles regarding the issue is the mere-exposure effect. The literature on the mere-exposure effect demonstrates that familiar stimuli trigger a variety of positive reactions (Zajonc, 1968; 2001), which means that people tend to develop a preference for things merely because they are familiar with them. In line with this theory, previous experimental studies show that more experience with others may increase

confidence and predictability and decrease uncertainty and anxiety in the impressions of others, which will likely contribute to liking (Bornstein & D'Agostino, 1994; Claypool et al., 2007; Reis, Maniaci, Caprariello, Eastwick, & Finkel, 2011; Loren Demerath, 1993; Winkielman & Cacioppo, 2001). These studies lead to the belief that “familiarity leads to attraction” (Berscheid & Regan, 2005). Attraction here means a positive judgment regarding a perceived objective. Consistent with this theory, marketing research finds that consumers with a high level of product familiarity tend to be more favorable in their product evaluations (Hardesty, Carlson, & Bearden, 2002; Sheau-Fen, Sun-May, & Yu-Ghee, 2012; Johansson, Douglas, & Nonaka, 1985; Okechuku, 1994). Applying this finding to our research context, we assumed that the familiarity that stems from personal experience with Chinese products positively influences the country product image (i.e., the image of Chinese products).

The same logic can apply to the perception of an organization. Turban et al. (2001) have theorized that firm familiarity positively influences the perceptions of organizational attributes because people attribute positive characteristics to familiar firms. Accordingly, strategic studies also find that more publicity increases awareness and leads to a better impression (Dowling, 1993).

Therefore, we can assume that individuals with more experience with Chinese firms have a better impression of CMNEs than individuals with less experience with Chinese firms. Therefore, we propose the following hypotheses.

H1. More experience with Chinese products leads to a better product image.

H2. More experience with CMNEs leads to a better corporate image.

Experience and country image

Country image is a multi-dimensional concept. The most widespread conceptualization of country image takes a two-component view that includes cognitive and affective assessments (e.g., Roth &

Diamantopoulos, 2009; Wang et al., 2012; Martínez & Alvarez, 2010; Lin et al. 2007)². Cognitive country image refers to people's beliefs about a country's political, economic and technological features (Echtner & Ritchie, 1993; Martin & Eroglu, 1993). The affective country image describes people's affective responses to a country and its citizens (Wang et al., 2012). The former focuses on functional characteristics, such as political and economic development, and the latter focuses on psychological and ideological characteristics, such as negative sentiments stemmed from political, religious, or ideological conflicts. Distinguishing between cognitive and affective country images is important because they reflect people's perceptions from different perspectives, and people may often simultaneously hold inconsistent cognitive perceptions and affective evaluations of a particular country (Wang et al., 2012). We also think the cognitive country image should be further divided into political country image and economic country image because the institutions and economy do not develop simultaneously, a fact that is particularly true in emerging markets, such as China. For example, Tung (2007) has reported that people in Western countries tend to have positive cognitive attitudes towards Chinese economic development and opportunities arising from high growth; however, they may have negative attitudes towards some government policies. In the real world, we often hear and read people saying, "I like Chinese people, but I don't like your legal system". This opinion indicates that the country image reflected by people is differentiated from the country's political image. These different perceptions may have complex effects on the perceptions of products and firms from China. Therefore, in this study, we classify the country image into three dimensions: affective country image (affective CI), economic country image (economic CI) and

² A few studies have documented the existence of a third component, the conative component (e.g., Laroche et al., 2005). However, cognitive, affective, and conative facets of attitudes are not independent of one another but rather are causally related. Roth and Diamantopoulos (2009) contend that the conative facet represents an outcome of cognitive and affective facets and is a separate construct. Although cognitive and affective facets may influence one another, they are often evaluated differently. Therefore, this study adopted a two-component view, focusing on cognitive and affective facets.

political country image (political CI). The affective CI focuses on feelings about a country, the economic CI reflects the perception of a country's economic development, and the political CI reflects the perception of a country's political texture.

Given the discussion in the previous section about the relationship between individual experience and impression formation based on mere-exposure effect theory, we expect that individuals with more country experience with China have a better impression of China than individuals with less experience. The positive relation applies to three dimensions of country image. Accordingly, we propose following hypotheses.

H3. An individual's country experience is positively associated with China's (a) affective CI, (b) economic CI, and (c) political CI.

Image transfer

Three psychological theories (i.e., schema congruity theory, categorization theory, and associative network theory) provide the basis to conceptualize the potential transfer of associations, such as images (Lopez et al., 2011). The research on schema congruity suggests that evaluations of a new object are influenced by the level of congruity between the object's features and the category schema in which it is presented, whereas the level of congruity is the extent to which the new object is perceived to match the schema (Aggarwal & McGill, 2007; Fiske, 1982; Meyers-Levy & Tybout, 1989). The influence of congruity is attributed to the transfer of effect from the schema to the new object (Fiske, 1982). Categorization theory maintains that individuals organize objects into categories that help them to process and understand their environments (Rosch & Mervis, 1975). The category members are basically recognized by evaluating their similarity to the category prototype (Fiske & Taylor, 1984; Rosch & Mervis, 1975). When people encounter a new member of a category, the beliefs and emotions associated with that category are transferred to the new

instance (Bhat & Reddy, 2001). Associative network theory suggests that information in memory is stored in networks containing concepts that are linked by associations (Anderson, 1983; Krishnan, 1996). Thus, when two concepts are linked in one's memory, specific associations between the two concepts are created.

Applying these three theories to the case of CMNEs in a developed economy, we see the rationale behind image transfer. CMNEs are newcomers, and the general public has limited insights into the full picture of CMNEs. The existing category schema, such as those related to the country of origin and products from the country, may influence the evaluation of CMNEs, due to the congruity, similarity and links between these existing categories and CMNEs. Therefore, perceived country attributes, such as country image and country product image, are likely to be used to develop the image of CMNEs (Held & Bader, 2016; Moeller, Harvey, Griffith, & Richey, 2013; Yildiz & Fey, 2012). Consequently, image transfer occurs from the country and its products to the firms. Earlier studies have also demonstrated that the country of origin affects corporate image (Dowling, 1993). Due to information asymmetries or lack of information of focal firms, individuals tend to collect information from the external environment and to rely on this information in their evaluation of a firm (Ehrhart & Ziegert, 2005; Highhouse, Thornbury, & Little, 2007). The country image can be an important external clue used to evaluate the firms from this country; the corporate image increases in conjunction with the country image. Based on these arguments, we propose the following hypotheses.

H4. The corporate images of CMNEs are positively influenced by China's a) affective CI, b) economic CI, and c) political CI.

H5. The corporate images of CMNEs are positively influenced by China's product image.

The above-stated hypotheses are summarized in Figure 1.

DATA AND METHODS

Empirical Setting

We used CMNEs operating in the Netherlands as the research context. We chose China as the home country for the following reasons. First, China has become the second largest investor in the world and has made investments in a wide range of countries, with Europe being a main destination and the Netherlands being one of the key target countries (Drahokoupil, 2017). Second, CMNEs tend to be subject to a significant liability of foreignness, including the negative institutional image and product image that are perceived by host country stakeholders (He & Zhang, 2018).

We used the Netherlands as the host country to collect survey data for three reasons. First, Dutch people are direct and frank in expressing different opinions about a wide variety of topics due to the country's multiculturalism and neo-corporatist political culture (Berkhout, Sudulich, & Brug, 2015). Second, the Netherlands is ranked as the 5th largest FDI recipient in the world (UNCTAD, 2017). Dutch people, in general, have rich experiences with foreign firms. Third, this one-to-one setting helped us to filter out any disturbances of cross-country variance, such as perception differences derived from prevailing differences in economy, culture and ethnocentrism (Ahmed & d'Astous, 2007), thereby supporting more accurate measurement and assessment.

Data Collection

We collected the data using a survey in the Netherlands, and the respondents were Dutch citizens. We used a screening question to identify the nationality of the respondents. The questionnaire was in Dutch. The survey was administered in November and December of 2017. Respondents were recruited through a group of eight people (the recruiters). They sent the survey link to their contacts through email and social media platforms (i.e., Facebook, LinkedIn and WhatsApp). To ensure the

sample's representativeness, the eight recruiters varied in terms of location, age, and profession. They resided in different regions of the country; their ages ranged from 23 to 61; their education levels covered from the vocational to university level; and they had different professions, such as consultant, manager, entrepreneur, student, and social worker.

The survey was pre-tested by a small group of people (five faculty members and five graduate students) to check whether the questions were understandable and easy to answer. Smart phones with different systems and computers with different systems, screen configurations and browsers were used in the pre-test to ensure the consistent appearance of the survey. The questionnaire was slightly adjusted according to the constructive feedback from the pilot respondents.

In total, 546 responses were collected, with 241 removed due to missing data, and another one was removed because the response time was shorter than the item response time thresholds used by Wise & Kong (2005), leaving 304 useable questionnaires. Of the respondents, 49.0% were female, and 51.0% were male. The average age was 34.3 years. Regarding their educational levels, 36.8% of the respondents completed a university education (WO), 47.7% completed professional education, and 14.5% completed a middle school or vocational education. More detailed demographic information of the respondents can be found in Table 1.

(INSERT TABLE 1 ABOUT HERE)

To reduce the potential common method variance (CMV), we adopted the approaches recommended by Chang, van Witteloostuijn and Eden (2010), Podsakoff, MacKenzie, Lee and Podsakoff (2003), and Podsakoff and Organ (1986). In the research design, we developed a conceptual model with a combination of fact-based independent variables (*country experience*, and *firm experience*) and perception-based variables (*Corporate image*, *Country product image*,

Affective CI, Political CI, Economic CI), as suggested by Chang et al. (2010) and Podsakoff et al. (2003). In the questionnaire design, we placed the items related to the focal constructs first (*Affective CI, Political CI, Economic CI, Country product image, and Firm experience*), then the items belonging to the presumed antecedents (*Country experience*), and the items related to expected outcome (*Corporate image*) at the end. In administration of the questionnaire, we assured the anonymity and confidentiality of the study. We conducted the commonly used test for CMV, Harman's single-factor test. The largest explained percentage of variance was 21.88%, indicating that no single factor was responsible for most of the variance.

Measures

We first screened the literature for existing scales. For the constructs without existing scales, we created scales based on the definition of the constructs and comparable ones in the relevant literature. We then conducted a test survey with eight people (including graduates, executives, teachers, and consultants) and adjusted the questions, according to the feedback we received.

Affective CI is measured with four items used by Wang et al. (2012), with minor adjustment, plus one item taken from Laroche et al. (2005). *Economic CI* is measured with four items, which were adopted from Wang et al. (2012), with minor adjustments. These items reflect the perceptions of affluence, economic development, technology advancement and living standard. *Political CI* is measured with three items. There is a lack of validated items in the literature to measure this construct. We created the items based on three frequently discussed political aspects: freedom (e.g., Phillips, Asperin, & Wolfe, 2013; Martínez & Alvarez, 2010), democracy (e.g., Lala, Allred, & Chakraborty, 2009; Martin & Eroglu, 1993) and corruption (e.g., Brouthers, Gao, & Mcnicol, 2008), which are often used to measure political quality in the literature (Busse & Hefeker, 2007; Hall & Lawson, 2014). *Country product image* is measured with five measurement items. These

items originate from Wang et al. (2012). *Corporate image* is assessed with three measurement items used by Foroudi, Melewar and Gupta (2014) and Nguyen and Leblanc (2001), with minor adjustments. These five perceptual variables are measured using Likert-type scales, with anchors ranging from 1 = “strongly disagree” to 5 = “strongly agree”. The detailed items are reproduced in the Appendix.

In addition to these five perceptual variables, we included three fact-based variables in our model to test our hypotheses: *Country experience*, *Firm experience*, and *Product experience*. *Country experience* is measured with two items. One is the number of times that a respondent has visited China, which measures the frequency of visits. People may have different experiences (i.e., location or people) during each visit; thus, the frequency may reflect the scope of the experience (Clarke, Tamaschke, & Liesch, 2013). Another is the number of months a respondent has lived, studied, or worked in China, which measures the intensity of the experience (Luo, 1999). *Firm experience* is measured by the following two items: working experience with Chinese firms and visiting experience with Chinese firms. Both items are dummy variables, with a value of 1 if a respondent has the experience, and 0 otherwise. *Product experience* is measured by a single item that reflects the level of product familiarity (Jo, Nakamoto, & Nelson, 2003), since product familiarity refers to the amount of product-related experience accumulated by consumers (Alba & Hutchinson, 1987). The scale ranges from 1 = “not familiar at all” to 5 = “extremely familiar”.

In addition, we included the following seven control variables: *Gender*, *Age*, *Immigrant*, *Education level*, *Income*, *International travel experience* and *International working experience*. *Gender* is measured by a dummy with a value of 1 if the respondent is male, and otherwise 0. *Age* refers to the real age of the respondent at the time of his or her participation in the survey. *Immigrant* is measured using a dummy variable, with a value of 1 if the respondent is an immigrant and 0

otherwise. *Education level* is measured by the highest level of school the respondent has attended, and it is recorded on an ordinal category scale (1-3): up to high school (1), vocational education (2), and higher education (college or above university) (3). *Income* is measured by the respondent's monthly income. *International travel experience* is measured by the number of countries that a respondent has visited. *International working experience* is measured by a dummy variable, with a value of 1 if a respondent has the experience of working in international companies, and 0 otherwise.

Exploratory factor analysis (EFA)

We conducted an EFA with principal component procedures and varimax rotation to check the inconsistency within and across our seven latent constructs. The index of Kaiser's measure of sampling adequacy (KMO = 0.757) and Bartlett's test of sphericity ($\chi^2 = 2198.1$ with 276 df; $p < 0.001$) suggest that the data are suitable for factor analysis. Eigenvalues greater than 1 were used to determine the number of factors. EFA extracted seven factors, accounting for 62.13% of the total variance. The results presented in Table 2 demonstrate the items basically load on the factors as we expected. However, we found that two items, Affective CI1 and Economic CI4, had a high cross loading (higher than 0.3); and Country product image 2 unexpectedly had a negative loading. According to Hair et al. (2006), we deleted these three items.

(INSERT TABLE 2 ABOUT HERE)

Measurement Model

Among the variables described above, there are seven latent variables: *Affective CI*, *Political CI*, *Economic CI*, *Corporate image*, *Country product image*, *Firm experience* and *Country experience*. It is important to choose the correct measurement model, whether reflective or formative, for the latent variables, due to the fundamental difference between the two types of models (Jarvis,

MacKenzie, & Podsakoff, 2003; Diamantopoulos & Papadopoulos, 2010). We used the decision rules suggested by Jarvis, MacKenzie, & Podsakoff (2003) to determine whether a construct was formative or reflective. Regarding the three constructs, *Affective CI*, *Corporate image*, *Country product image*, the items of each of the constructs basically reflect the same underlying construct, share a common theme, covary with one another and have the same antecedents and consequences. Therefore, we consider them to be reflective models. Regarding the other four constructs, *Political CI*, *Economic CI*, *Firm experience* and *Country experience*, we observe that the items of each of the constructs fit better with the criteria of the formative model. Specifically, the items do not capture the same aspects of the construct's domain, do not covary with one another, and do not have the same antecedents. Therefore, we consider them to be formative models.

ANALYSIS AND FINDINGS

Evaluation of the Measurement Models

Given that formative constructs are part of our structural model, we used partial least squares structural equation modeling (PLS-SEM) (Hair, Ringle & Sarstedt, 2011) to estimate the measurement model and test the hypotheses. The estimation was performed using a new software package, ADANCO (Henseler & Dijkstra, 2015).

Reflective measurement model evaluation

For the three reflective constructs, *Affective CI*, *Country product image* and *Corporate image*, the reliability and validity were assessed. Specifically, composite reliability, indicator reliability, convergent validity, and discriminant validity were assessed using PLS-SEM. The criteria presented in Table 3 indicate that the two criteria for composite reliability, Dijkstra-Henseler's rho (ρ_A) and Jöreskog's rho (ρ_c), are greater than the threshold (Jörg Henseler, Hubona, & Ray, 2016), and

Cronbach's alphas are also greater than 0.7, indicating sufficient reliability for the three reflective constructs. The indicator reliability was assessed by the indicator loadings. All the indicator loadings were greater than the threshold of 0.6 (Hair et al., 2011), indicating sufficient internal consistency for the three reflective constructs. The results of the validity assessment are reported in Table 4. For the convergent validity, the average variance extracted (AVE) was calculated for the three reflective constructs. They were all greater than 0.50, indicating a sufficient degree of convergent validity, meaning that the latent variable explains more than half of its indicators' variance. We assessed the discriminant validity using the Fornell-Larcker criterion (Joe F. Hair et al., 2011), which maintains that the AVE of each latent construct should be greater than the highest squared correlation between a latent construct and any other construct. Table 4 indicates that the AVEs of the three reflective constructs are higher than all squared correlations, implying that the criteria are met for the three constructs.

(INSERT TABLE 3 & 4 ABOUT HERE)

Formative measurement model evaluation

Following Hair et al. (2011), we assessed the multicollinearity and the contribution of the indicators for the four formative measurement models, *Political CI*, *Economic CI*, *Firm experience* and *Country experience*. Regarding the degree of multicollinearity, the variance inflation factor (VIF) was computed. The results reported in Table 5 indicate that the VIF for all items is below the cut-off value of 5 (Hair et al., 2011), demonstrating that the single items are sufficiently independent of one another. Regarding the contribution, we calculated the significance of the weights (relative importance) and the loadings (absolute importance) by bootstrapping. The results show that all loadings are significant at the 0.01 level, indicating that the absolute importance of all items is confirmed. Regarding the weights, all indicators are significant, except for the two *Firm experience*

items. Other studies have suggested keeping insignificant indicators if they are supported by theory-driven conceptualization (Hair et al., 2011; Dowling, 2009) and if the item's loading is 0.50 or higher (Sarstedt, Ringle, Smith, Reams, & Hair, 2014). In this study, the two items measure one's experience with focal firms from two dimensions and deleting either of the items would alter the concepts. In addition, the loadings of the two items are all greater than 0.5. Thus, we decided to keep the items.

(INSERT TABLE 5 ABOUT HERE)

Structural model

To test the hypotheses, we assessed the PLS using ADANCO 2.01. Following the suggestion of Henseler, Ringle, & Sinkovics (2009) and Hair et al. (2011), we examined the path coefficients and their significance through a bootstrapping procedure generating 5000 random samples. We also examined the goodness of model fit, as suggested by (Henseler et al., 2016). The results are reported in the first panel of Table 6. The overall model estimation reveals that the three criteria (i.e., SRMR, d_{ULS} , and d_G) are less than the corresponding value of Hi99, indicating an acceptable fit.

Main paths of the model estimation

Regarding the image transfer, the results in the second panel of Table 6 reveal that *Affective CI* and *Country product image* are positive and significantly related to *Corporate image*, supporting H4a and H5; therefore, image transferring is supported here. However, *Political CI* and *Economic CI* are not significantly related to *Corporate image*, which means that H4b and H4c are not supported, and image transferring is not supported here. Regarding the experience effect, *Country experience* is positive and significantly related to *Affective CI*, thereby supporting H3a. *Country experience* is

positively but insignificantly related to *Economic CI*, which means that H3b is not supported. *Country experience* is negative and significantly related to *Political CI*, which is opposite H3c. Regarding the impact of experiences, *Firm experience* is not significantly related to *Corporate image*, which means H2 is not supported. Product experience is not significantly related to *Country product image*; thus, H1 is not supported.

Regarding the indirect effect, because H3a and H4a are supported, it is likely that the relationship between *Country experience* and *Corporate image* is partially mediated by *Affective CI*. This finding is supported by the mediating effect test presented in the third panel of Table 6, which means that an individual's experience with China indirectly influences *Corporate image*. As the relationship between *Product experience* and *Country product image* is not significant, the individual experience with Chinese products does not influence *Corporate image* indirectly. This finding is supported by the mediating effect test presented in Table 6.

(INSERT TABLE 6 ABOUT HERE)

In addition to the key variables, we observed some interesting findings regarding the control variables. First, we find that *Age* is negatively and significantly associated with *Corporate image*. Younger people are generally more culturally curious and aware (Newburry, Gardberg, & Belkin, 2006), more world-minded, and less likely to be nationalistic (Shimp & Sharma, 1987; Vida & Fairhurst, 1999; Rawwas & Rajendran, 1966), which helps them to build a better impression of CMNEs. Second, gender matters. The perceived corporate image of CMNEs is better among males than females. This finding is consistent with that of Held & Bader (2016) that males are more attracted to EMNEs than woman, likely because females are more sensitive to injustice than males (Napier, N. K., Taylor, 2002).

The findings are also summarized in Figure 2.

(INSERT FIGURE 2 ABOUT HERE)

DISCOURSE ON UNSUPPORTED HYPOTHESES

H3b, H4b and H4c are unsupported by our data; a further investigation of which can render us an opportunity to uncover the value and boundaries of theories (Armstrong & Shimizu, 2007; Cortina & Folger, 1998). A critical evaluation of the unexpected results helps us understand the effects of experience and image transfer and the boundary condition of the effects.

Experience

Incited by studies on marketing (Hardesty, Carlson, & Bearden, 2002; Sheau-Fen, Sun-May, & Yu-Ghee, 2012; Johansson, Douglas, & Nonaka, 1985; Okechuku, 1994), we chose to develop our hypotheses based on mere-exposure theory. Our empirical analyses did not support three hypotheses (H1, H2 and H3c) related to experience. This reflects the complexity of the phenomenon under our lens and the different perspectives of theories. Although the mere-exposure theory explains why “familiarity leads to attraction”, there is an opposite argument of “familiarity breeds contempt”, which indicates that the more experience individuals have with an object, the more likely that evidence of dislike is uncovered, resulting in a decreasing positive perception (Norton et al., 2007). The confrontation between the arguments implies that the relationship between experience and perception is more complicated than the mere-exposure theory predicts, and it may be conditional on the specific context (e.g., Brooks, Highhouse, Russell, & Mohr, 2003; Brooks & Highhouse, 2006).

In the case of firm image and product image, CMNEs and their products share commonalities, such as host country characteristics and a lack of international experience. They also differ in some aspects. Some of these CMNEs are seen to be well-managed, efficient and globally competitive

(e.g., Huawei [China], Tata [India] and Cemex [Mexico]), whereas some perform poorly (Knoerich, 2010; Zheng, Wei, Zhang, & Yang, 2016). The same divergence applies to products produced by EMNEs (Schniederjans, Cao, Schniederjans, & Gu, 2011). Therefore, if one has more experience with poorly managed firms and poor-quality products, the experiences will lead to a negative impression, whereas more experiences with well-managed firms and good-quality products will lead to a positive impression. Given the opposite arguments, we presume that familiarity or the amount of experience alone does not predict the image of a group of firms or products that are not identical. Our results regarding firm experience and product experience (H1 and H2) imply that the two opposite arguments may both apply to our case.

In the case of country image, since politics and economy do not develop simultaneously in China (Xu, 2011), people have different evaluations regarding these aspects as well as affective aspects. Regarding the affective CI, people may have negative perceptions toward a country for historical and political reasons (e.g., wars or ideological conflicts), or due to prejudice stemming from misunderstanding and stereotypes. Many people have a complicated view of China due to its communist regime and the troublesome history of communism in Europe. Over the last few decades, the antagonism between communist and capitalist ideologies has become less meaningful, and China has become more open to and cooperative with the Western world. Individuals who have experience with China may realize that China has been shifting away from communism and its capitalism is emerging (Chan, 2006; Lin, 2011; Pei, 1994). Hence, their negative emotions may diminish as their experience increases. In addition, traditional Chinese culture emphasizes harmony, connection, collectiveness, inclusiveness and cooperation (Fei, 2015; Tang et al., 2015). Visitors from Western countries generally feel friendliness and hospitality during their stay in China. In this case, the country experiences reduce misunderstanding and moderates bad impressions connected to

stereotypes. Therefore, it is logical to observe that an individual's country experience has a positive effect on affective CI, as we found in our empirical result (H3a).

Regarding the economic CI, China was a poor and isolated country before it started reform in the late 1970s. The media and people from Western countries stereotyped China for being economically and technologically underdeveloped. However, individuals who have more country experience with China are more likely to recognize the recent economic development in China and to generate a better country image compared those with less or no country experience with China. Therefore, it is logical to see that the country experience is positively associated with the economic CI, as we found in our empirical result (H3b).

Regarding the political CI, China and the Western world differ in terms of formal institutions. The more experiences an individual has with China, the more differences they may recognize. The dissimilarities create discomfort, dissonance and repulsion (Rosenbaum, 1986). This uncomfortable sense can downgrade the country image. This explains why the country experience is negatively associated with the political CI (H3c).

Image transfer

This study proposes image transfer based on three psychological theories. However, we found that two hypotheses (H4b and H4c) out of the four related to image transfer were not supported. One explanation for this result is that the *Political CI* and *Economic CI* are more related to the functional attachment and that *Corporate image* in our study only focuses on affective attachment, which diminishes the image transfer effects. This result implies that the image transfer is conditional on the extent to which the two concepts share common elements.

DISCUSSION

Although research on IB has increasingly focused on EMNEs in general (Hernandez & Guillén, 2018) and CMNEs in particular (Ramamurti & Hillemann, 2018), few studies have examined the corporate image of EMNEs. The purpose of this paper was to analyze the determinants of the corporate image of CMNEs in a Western European country. We focused on the factors that are relevant to external audience's impression formation process (Williams & Moffitt, 1997).

Specifically, we investigated the antecedents derived from perceived external environment (CI and Country product image) and individual experience. Our main research question was to what extent individual experience influences image formation and whether the image transfers from the country level to the firm level.

The findings of our study suggest that experiences influence image formation; however, there are complicated boundary conditions for this effect. The fit between objects and an individual's values and expectations is an important one. For example, we observed that an individual's country experience is negatively associated with political CI due to the substantial political discrepancy between China and Western countries. Individual country experiences are positively associated with affective CI because Chinese culture emphasizes harmony, connection, inclusiveness and cooperation. However, the substantial heterogeneity within each group (i.e., CMNEs and Chinese products) makes the relationships among experience, corporate image and product image unpredictable.

In addition, the results support the argument that the image transfers from a country and its products to firms. This transfer is particularly true for CMNEs because they are new players in the global market; therefore, people need to use existing schema (Aggarwal & McGill, 2007; Fiske, 1982; Meyers-Levy & Tybout, 1989) or external clues to evaluate them.

Overall, our findings provide evidence that the country product image and affective country image are positively and significantly associated with the corporate image, the impact of individuals' firm experiences on a corporate image depends on the situation, and country experience influences the corporate image indirectly through the affective country image. In addition, we observed that younger people are more positive than older people and that males are more positive than females regarding CMNEs' corporate image.

Theoretical implications

This study offers three contributions to the literature. First, it fixes a previously ignored but important void of how the corporate image of EMNEs perceived by external entities is formed in developed economies. EMNEs considerably contribute to global FDI but still suffer from a poor image as a whole (Held & Bader, 2016; He & Zhang, 2018). Based on a literature review, our research conceptually identified three factors (i.e., country image, product image, and country and firm experience) that shape this corporate image, which enriches the research on EMNE corporate image.

Second, this research adds to the literature of country-of-origin from a country-level perspective. Previous studies have largely focused on product images from a certain country (e.g., Balabanis & Diamantopoulos, 2008; Balabanis, Mueller, & Melewar, 2002; Verlegh & Steenkamp, 1999), instead of the country image in general (Roth & Diamantopoulos, 2009). Extending the approach that views the country image to be multifaceted (e.g., Roth & Diamantopoulos, 2009; Laroche et al., 2005), we took a closer look at the effect of each image dimension (i.e., affective CI, economic CI and political CI), which provides a finer view of the issue.

Third, this study also extends the research of the experiential effect on perception by considering the boundary conditions. Prior research could not achieve a consensus regarding the effect of

individual experiences on perception and judgement (Claypool, Hugenberg, Housley, & Mackie, 2007; Claypool, Hall, Mackie, & Garcia-Marques, 2008). We address it by investigating specific conditions in which experiences create different perceptions (positive, negative or mixed), which constitutes a meaningful approach to investigate this issue.

Practical implications

This research also has important implications for policy makers and practitioners. First, our findings suggest that affective CI plays a prominent role in influencing the corporate image of CMNEs.

Therefore, boosting affective CI helps CMNEs to establish a good corporate image abroad. Our study finds that affective CI is positively associated with individuals' country experiences, implying that China can improve its affective CI by attracting more visitors from abroad, which calls for more open and constructive policies to attract visitors. Previous studies have also suggested that people's affective perception regarding a country can be changed due to some political or economic events (Amine, 2008), such as high-level diplomatic visits (Zhang, Jiang, & Zhou, 2014) and sport games (Finlay & Xin, 2010). Governments can use these tools to improve the affective country image.

Second, our study shows that improving the country product image is another method of helping CMNEs to build a good corporate image. This process requires a collective effort from governments and enterprises: governments and industrial associations should introduce various administrative and legislative measures to ensure the quality of exports. In addition, we should be aware that the country product image can vary across host countries and industries. For example, in Malaysia, many customers prefer products made in China due to their durability (Sarwar et al. 2013); however, in the U.S., consumers are still conscious of the quality and safety of Chinese products, although they recognize that the quality of products of some industries has been improved

(Dusharme, 2019). Therefore, when business leaders choose which country and industry to enter, the country product image held by the host's consumers is very important for them to consider.

Limitations and directions for future research

As one of the first studies to attempt to investigate the antecedents of the corporate image of CMNEs, this paper has some limitations and also opportunities for future research. First, in this study, we endeavor to identify the drivers of CMNEs' corporate image in a developed economy in Europe. Following a literature review, three sets of factors emerge: local people's experience with Chinese firms, China's country image (subject to the influence of country experience) and the country product image (subject to the impact of product experience). However, not all the predicted relationships are supported by our data. For example, we used Zajonc's theory to develop H1 and H2, but our empirical analysis reveals no support for these hypotheses. Our further discourse has discussed other theories that provide different explanations for the relationships among experience and image, such as Norton et al.'s (2007) opposite view of "familiarity breeds contempt". This reveals the complexity of the focal issue and also the existence of different perspectives presented by existing theories. Therefore, we invite further research efforts to examine this interesting topic. Second, this study only focuses on the antecedents that are related to the perceived external environment (CI and Country product image) and individual experiences. Future research may also examine the influence of the internal environment of EMNEs (quality, management, staff and employee) and the interaction between the internal environment and the external environment. Third, regarding the impact of the external environment, this study only investigates the country level factors, leaving other environmental factors, such as industry, out of the research scope. However, industries in a country such as China vary substantially in terms of competitiveness (Zhang, Ebbers, & van Witteloostuijn, 2013), and future studies should investigate heterogeneity

among industries to gain a more comprehensive understanding of the effect of environmental factors.

Fourth, our study results suggest the relationships between individual experience and image formation are based on many conditions, which may be related to the focal objects, external environments and individuals. Future studies should create more refined context-specific models to explain how experience produces a good image and when it leads to a bad image. In the same vein, our findings imply that image transfer is subjected to some boundary conditions, such as the sharing elements of the concepts. Future studies should create more refined models to uncover the boundary conditions.

Fifth, this study investigated the factors that influence the image of CMNEs only in a developed economy. A research design that addresses other scenarios, such as CMNEs and MNEs from developed countries in emerging markets and developed economies, would extend the generalizability of this research on this topic. In addition, we only chose the Netherlands as our research context. It may be the case that the images in the mind of people from the Netherlands are not representative; future research should extend the research to other developed countries.

Sixth, several questions related to measurement issues are important and relevant for peer researchers' attention. For example, to what degree do the images represent the research participants' stereotypes or biases? To what degree do the images represent the actual corporate governance, behaviors, or product quality? The measures in the literature are mainly based on respondents' subjective perceptions (e.g., Papadopoulos, Banna, & Murphy, 2017; Roth and Diamantopoulos, 2009), which is also this research's approach. To precisely answer these questions, researchers require data from other countries and genuine measures of the actual corporate products, governance and behaviors to compare with survey results such as ours.

Furthermore, our study only focuses on emotional aspects of corporate image (e.g., Tran et al., 2015; Worcester, 2009). A research design that incorporates functional aspects would advance our understanding of the image transfer effect.

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Figure 1. Conceptual model and hypotheses

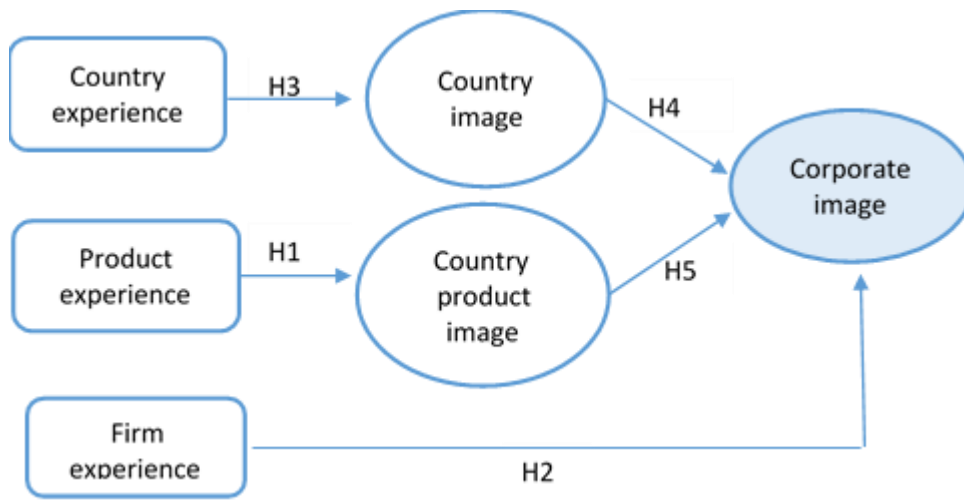
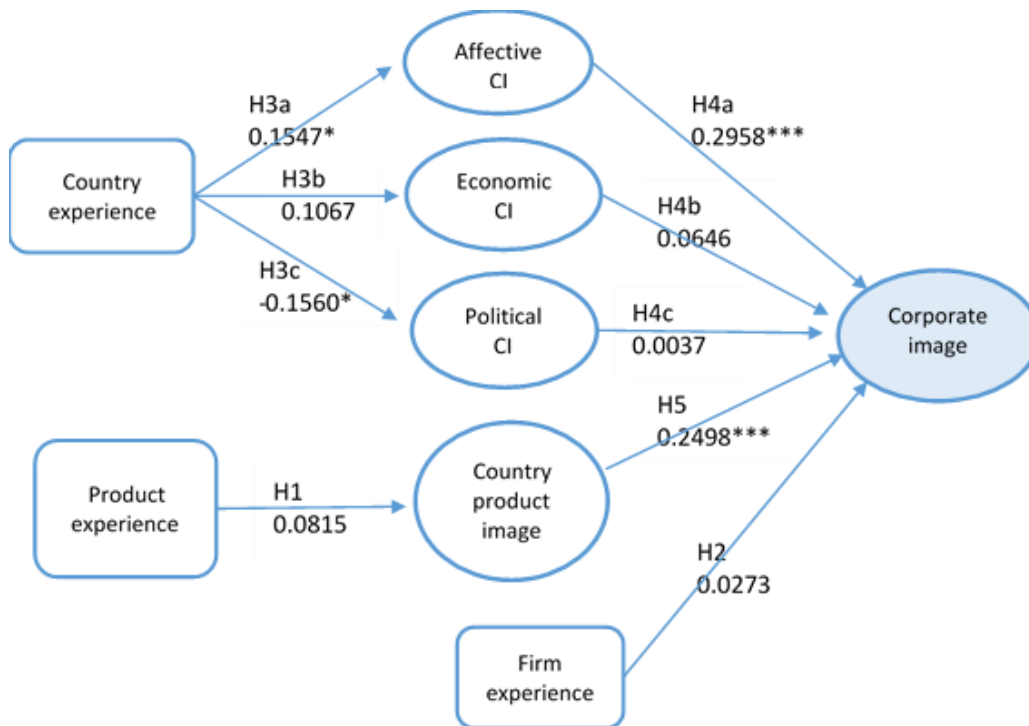


Figure 2. Partial least squares structural equation modeling



Note: * = $p < 0.05$; ** = $p < 0.01$; *** = $p < 0.001$.

Table 1: Demographic characteristics of the respondents (304)

Variables	Mean (number)	Min	Max	Percentage
Age	34.3	18	72	100%
Gender	1.49			100%
Male (1)	(155)			51%
Female (2)	(149)			49%
Education	3.18	1	5	100%
Middle school (1)	(20)			6.6%
Vocational education (MBO) (2)	(24)			7.9%
Professional Higher education (HBO) (3)	(145)			47.7%
University (WO)(4)	(112)			36.8%
PhD (5)	(3)			1.0%
Income	3.22	1	7	100%
<€1.000 (1)	(71)			23.4%
€1.000 - €2.499 (2)	(66)			21.7%
€2.500 - €3.499 (3)	(48)			15.8%
€3.500 - €4.499 (4)	(33)			10.9%
€ 4.500 - €5.999 (5)	(40)			13.2%
€6.000 - €8.000 (6)	(23)			7.6%
>€8.000 (7)	(23)			7.6%
Working status	1.36			100%
Have a job	(204)			67.2%
Students	(90)			29.6%
No job	(10)			3.2%

Table 2. Exploratory factor analysis for seven latent constructs

	Factor1	Factor2	Factor3	Factor4	Factor5	Factor6	Factor7	Communalities
Affective CI1*	0.498		0.430					0.497
Affective CI2	0.804							0.670
Affective CI3	0.763							0.616
Affective CI4	0.564							0.405
Affective CI5	0.539							0.579
Economic CI1		0.719						0.561
Economic CI2		0.801						0.701
Economic CI3		0.630						0.529
Economic CI4*		0.520	0.564					0.616
Political CI1			0.725					0.606
Political CI2			0.694					0.522
Political CI3			0.572					0.450
Corporate Image1				0.561				0.625
Corporate Image2				0.831				0.723
Corporate Image3				0.779				0.702
Firm expereince1					0.778			0.678
Firm expereince2					0.802			0.692
Country experience1						0.877		0.839
Country experience2						0.887		0.843
Country product image1						0.750		0.633
Country product image2*			-0.498					0.401
Country product image3							0.740	0.627
Country product image4							0.843	0.750
Country product image5							0.774	0.646

Note: The items are corresponding to the questions in the questionnaire in the same order. The questions are presented in the Appendix. The items with * were removed in in later analyses.

Table 3: Reliability assessment of the three reflective measurement models

			Composite Reliability			
			Dijkstra-Henseler's rho	Jöreskog's rho	Cronbach's alpha	
Corporate image			0.7570	0.8583	0.7536	
Country product image			0.8315	0.8775	0.8149	
Affective CI			0.7252	0.8219	0.7120	
Indicator reliability: indicator loading						
Corporate image1	0.8030	Country product image1	0.7721	Affective CI 2	0.7329	
Corporate image2	0.8174	Country product image3	0.7683	Affective CI 3	0.8082	
Corporate image3	0.8328	Country product image4	0.8363	Affective CI 4	0.7110	
		Country product image5	0.8235	Affective CI 5	0.6719	

Table 4: Validity assessment of the three reflective measurement models

Construct	Squared correlation			AVE
	Corporate image	Country product image	Affective CI	
Corporate image				0.6688
Country product image	0.1281			0.6420
Affective CI	0.1149	0.0594		0.5368
Economic CI	0.0485	0.1251	0.0539	
Political CI	0.0390	0.0616	0.1110	
Firm experience	0.0022	0.0001	0.0236	
Country experience	0.0001	0.0007	0.0239	
Gender	0.0109	0.0209	0.0469	
Age	0.0034	0.0020	0.0126	
Immigrant	0.0064	0.0015	0.0096	
Education	0.0013	0.0065	0.0095	
Income	0.0005	0.0000	0.0135	
International travel experience	0.0006	0.0040	0.0058	
International working experience	0.0013	0.0015	0.0113	

Table 5: Evaluation of the three formative measurement models

Indicator	Weight	Loading	VIF
Economic CI1	0.3944**	0.7179***	1.3129
Economic CI2	0.3772**	0.7771***	1.4418
Economic CI3	0.5371***	0.7889***	1.1913
Political CI1	0.4958***	0.8225***	1.3311
Political CI2	0.5351***	0.8595***	1.4090
Political CI3	0.2268	0.5834***	1.1983
Firm experience 1	0.5043	0.7969**	1.2345
Firm experience 2	0.6712	0.8910**	1.2345
Country experience 1	0.5156***	0.9496***	2.9181
Country experience 2	0.5354***	0.9534***	2.9181

* = $p < 0.05$; ** = $p < 0.01$; *** = $p < 0.001$

Table 6. Results of the structural model estimation

1. Overall model fit				
	Value	HI95	HI99	
SRMR	0.0605	0.0814	0.0867	
d _{ULS}	1.5941	2.8823	3.2674	
d _G	0.4634	1.4288	2.6099	
2. Main path				
	Coefficient	Standard error	p-value (2-sided)	t-value
Affective CI -> Corporate image	0.2958	0.0687	0.0000	4.3050***
Economic CI -> Corporate image	0.0646	0.0780	0.4075	0.8283
Political CI -> Corporate image	0.0037	0.0621	0.9519	0.0603
Country product image -> Corporate image	0.2498	0.0551	0.0000	4.5328***
Firm experience -> Corporate image	0.0273	0.0896	0.7607	0.3045
Country experience -> Affective CI	0.1547	0.0710	0.0293	2.1794*
Country experience -> Economic CI	0.1067	0.0780	0.1711	1.3687
Country experience -> Political CI	-0.1560	0.0637	0.0144	-2.4481*
Product experience -> Country product image	0.0815	0.0599	0.1739	1.3599
Gender -> Corporate image	0.1549	0.0583	0.0079	2.6585**
Age -> Corporate image	-0.1780	0.0655	0.0066	-2.7184**
Immigrant -> Corporate image	0.0229	0.0651	0.7245	0.3525
Education -> Corporate image	-0.0042	0.0591	0.9434	-0.0710
Income -> Corporate image	0.1425	0.0810	0.0786	1.7591†
International travel experience -> Corporate image	-0.0259	0.0568	0.6484	-0.4560
International work experience -> Corporate image	-0.0166	0.0612	0.7866	-0.2707
3. Mediating effect				
Country experience -> Corporate image	0.0521	0.0274	0.0573	1.9014†
Product experience -> Corporate image	0.0204	0.0156	0.1920	1.3047

† = p < 0.1; * = p < 0.05; ** = p < 0.01; *** = p < 0.001

APPENDIX: MEASUREMENT ITEMS

Please indicate to what extent you agree with the following statements (from 1 = strongly disagree to 5 = strongly agree):

Affective Country image

1. Based on your feelings, China is peace-loving.
2. Based on your feelings, China is friendly towards the Netherlands.
3. Based on your feelings, China is cooperative with the Netherlands.
4. Based on your feelings, China is an attractive country.
5. Based on your feelings, China is a credible country.

Economic CI

1. In your perception, China is a rich country.
2. In your perception, China is economically well developed.
3. In your perception, China has advanced technology.
4. In your perception, China has good living standards.

Political CI

1. In your perception, Chinese people have a great deal of freedom.
2. In your perception, Chinese political system is very democratic.
3. In your perception, China is a country with a low level of corruption.

Country product image

When you think about products made in China, you generally perceive their image as

1. High quality products.
2. Having a global presence.
3. High workmanship.
4. Reliable.
5. Well designed.

Firm experience

1. Do you have working experience with Chinese companies? Yes NO
2. Have you visited Chinese companies? Yes No

Country experience

1. How many times have you visited China? ____
2. How many months have you studied, worked or lived in China in total? ____

Country product experience

1. Please indicate to what extent you are familiar with Chinese product (from 1 = not familiar at all to 5 = extremely familiar)

Corporate image

Please indicate to what extent you agree with the following statements (from 1 = strongly disagree to 5 = strongly agree):

1. I like Chinese companies.
2. I like Chinese companies compared to companies from other countries.
3. I think other people like Chinese companies as well.